

Message Text

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FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC IMMEDIATE 2673

C O N F I D E N T I A L SECTION 1 OF 3 NEW DELHI 5286

LIMDIS

E.O. 11652: GDS
TAGS: PFOR IN
SUBJECT: EARLY US POLICY TOWARD THE NEW INDIAN GOVERNMENT

1. BEGIN SUMMARY: THE OUTLINES OF INDIAN FOREIGN POLICY ARE BECOMING CLEARER: MODERATE NONALIGNMENT, MORE BALANCED RELATIONS WITH GLOBAL POWERS, BUT NO MARKED CHANGE IN RELATIONS WITH THE USSR. WE BELIEVE EARLY GOI MANEUVERING TO PRESERVE ITS RELATIONSHIP WITH THE SOVIETS SHOULD NOT TROUBLE US. WE DO HAVE IMPORTANT INTERESTS, HOWEVER, IN AREAS SUCH AS INDIAN DEMOCRACY, THE BALANCE OF INDIA'S RELATIONSHIP WITH GLOBAL POWERS, AND INDIA'S NUCLEAR POLICY. WE BELIEVE OUR CURRENT STANCE TOWARD THE NEW GOVT OF MAKING KNOWN OUR WARM AND FRIENDLY REGARD WHILE LEAVING IT TO THAT GOVT IN DUE COURSE TO LET US KNOW WHAT RELATIONS IT WISHES, CONTINUES TO BE CORRECT. WE HAVE SOME CONCERN, HOWEVER, REGARDING WHETHER SIGNALS BEING RECEIVED BY THE GOI FROM US ARE CONSISTENT WITH THE FIRST PART OF THIS STANCE. AS FAR AS THE GOI IS CONCERNED OUR POSITION REGARDING A CUT BACK OF INDIA'S MULTILATERAL ASSISTANCE THROUGH IDA V REMAINS UNCHANGED. WE HAVE BEEN CRITICAL OF INDIA IN OUR REMARKS ON US NUCLEAR POLICY. THE ISSUE OF US ARMS SALES TO PAKISTAN HAS AGAIN ARISEN. CONSEQUENTLY I BELIEVE WE SHOULD BE ON THE LOOKOUT FOR THINGS WE CAN DO TO REINFORCE
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OUR STANCE OF FRIENDLY SYMPATHY FOR INDIA'S NEW DEMOCRATIC GOVT WITHOUT TAKING THE INITIATIVE ON NEW PROGRAMS. I RECOMMEND THAT WE TAKE AN EARLY DECISION TO SUPPORT INDIA'S SHARE OF IDA V AT 40 PERCENT. AN EARLY REPLY TO PRIME MINISTER DESAI'S WARM SUBSTANTIVE LETTER TO THE PRESIDENT WOULD BE HELPFUL. ANY REASSURANCE WE COULD GIVE THE INDIANS REGARDING MILITARY SALES TO PAKISTAN WOULD CALM THIS AREA OF GOI CONCERN. FINALLY, IF WE ARE LIKELY

TO APPROVE ANOTHER INTERIM SHIPMENT OF NUCLEAR FUEL FOR INDIA AN
EARLY DECISION WOULD SUPPORT OUR RELATIONS. END SUMMARY.

2. THE FOREIGN POLICIES OF THE NEW INDIAN GOVT ARE GRADUALLY
EMERGING IN CLEARER FORM. INDIAN PERFORMANCE AT THE NONALIGNED
COORDINATING COMMITTEE MEETINGS ADDS FURTHER EVIDENCE THAT INDIA
WILL REMAIN A DEDICATED MEMBER OF THE MOVEMENT BUT THAT THE TREND
IN ITS POLICIES WILL CONTINUE TOWARD THE SIDE OF MODERATION.
IT ALSO IS EVIDENT THAT THE INDIANS DESIRE NO MARKED CHANGE IN THEIR
RELATIONS WITH THE SOVIET UNION BUT THEY WILL PRACTICE A MORE
BALANCED FORM OF NONALIGNMENT; THEY WILL GRADUALLY BACK AWAY FROM
WHAT THE PREVIOUS GOVT CALLED A "SPECIAL RELATIONSHIP" WITH THE
SOVIET UNION, SUBSTITUTING MORE EQUAL RELATIONS WITH THE US,
CHINA AND THE USSR. INDIA WILL SEED TO DO THIS IN WAYS WHICH IT
HOPES WILL NOT DEPRIVE IT OF THE BENEFITS IT RECEIVES FROM THE
USSR AND WHICH WILL TAKE INTO ACCOUNT THE MUTUAL INTERESTS
IT HAS WITH THAT COUNTRY. THE NEW GOVT'S EARLY INITIATIVE WITH
THE SOVIETS IS UNDERSTANDABLE. IT WISHES TO COUNTERACT THE
IMPRESSION THAT A MAJOR SHIFT TOARD THE WEST WAS TO TAKE
PLACE. THIS EXPLAINED THE TALK BETWEEN FOREIGN MINISTER VAJPAYEE
AND SOVIET AMBASSADOR MALTSEV AND THE INVITATION TO GROMYKO TO
VISIT DELHI IN LATE APRIL.

3. IT APPEARS TO US THAT THIS EARLY MANEUVERING POSES NO
THREAT TO OUR INTERESTS AND INDEED IT WOULD BE A TACTICAL
MISTAKE FOR US, BY EARLY ACTIONS IN OUR RELATIONS WITH THE GOI,
TO SUGGEST THAT WE WERE BIDDING AGAINST THE RUSSIANS. ONLY
GRIEF CAME FROM THIS PROCESS WHEN WE PRACTICED IT HERE IN THE
PAST AND THERE IS LITTLE REASON FOR US TO DO IT NOW IN VIEW
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OF FAVORABLE TRENDS IN INDIAN FOREIGN POLICY WHICH ARE TAKING
PLACE WITHOUT ANY US STIMULUS WHATSOEVER.

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4. WE DO HAVE IMPORTANT INTERESTS AT STAKE IN INDIA, HOWEVER, AND SHOULD KEEP UNDER CONTINUOUS EXAMINATION WHAT WE SHOULD BE DOING TO PROTECT THEM. FIRST, OF COURSE, IS INDIAN DEMOCRACY; THE CHANGES IN INDIA HAVE MADE THE WORLD A SOMEWHAT MORE CONGENIAL PLACE FOR US. WHILE THE SALVATION OF INDIAN DEMOCRACY WILL HAVE TO COME LARGELY FROM WITHIN THE COUNTRY, THERE WILL BE THINGS THAT WE CAN DO TO HELP AND OUR INTEREST IN INDIA'S FORM OF GOVT SHOULD BE SUFFICIENT JUSTIFICATION. WE ALSO HAVE AN INTEREST IN INDIA'S MAINTAINING A BETTER BALANCE IN ITS RELATIONS WITH GLOBAL POWERS. ALTHOUGH WE SHOULD NOT EXPECT MAJOR CHANGE, WE CAN SEE PROSPECT OF CONTINUED IMPROVEMENT (AND THIS PROCESS BEGAN UNDER MRS. GANDHI'S GOVT) IN INDIAN CONDUCT IN MULTILATERAL INSTITUTIONS; INDIA WILL STILL VOTE AGAINST COLONIALISM AND IMPERIALISM AND WITH THE NONALIGNED BUT THERE WILL BE OCCASIONAL ISSUES ON WHICH IT MAY DEPART FROM THE SOVIETS IN WAYS THAT ARE HELPFUL. FOR EXAMPLE, AT THE NONALIGNED MEETINGS THEY ARGUED AGAINST GUYANA AND CUBA ON PUERTO RICO AND ONCE AGAIN ENTERED A RESERVATION WHEN THEIR POSITION WAS NOT ACCEPTED. IT IS IN OUR INTEREST TO ENCOURAGE THIS PROCESS. WE ALSO HAVE AN INTEREST IN INDIA'S NUCLEAR POLICY AND WHATEVER NEW FLEXIBILITY MAY EXIST AS A RESULT OF THE CHANGE IN GOVT. WE CAUTION, HOWEVER, THAT TOO MUCH SHOULD NOT BE READ INTO THE PRIME MINISTER'S PRESS CONFERENCE REMARKS ABOUT TESTING. INDIAN ATOMIC ENERGY CHAIRMAN SETHNA, FOR EXAMPLE, TOLD OUR CONSUL GENERAL IN BOMBAY THAT HE

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HAD SPOKEN TO THE PRIME MINISTER ABOUT HIS STATEMENT ON EXPLOSIONS AND MORAJI HAD SAID THAT THERE WOULD BE NO EXPLOSIONS UNLESS THERE WAS A CLEAR NEED FOR THEM. THIS, ACCORDING TO SETHNA, WAS ONLY A RESTATEMENT OF EXISTING POLICY. NEVERTHELESS, THERE IS A NEW GOVT ON THE SCENE WHICH MUST MAKE DECISIONS ON NUCLEAR POLICY AND THE MANNER IN WHICH WE START OUT WITH THEM IS IMPORTANT TO OUR INTERESTS.

5. THUS FAR THE EMBASSY HAS RECOMMENDED THAT WE NOT CROWD THE NEW GOVT AND THAT WE REMAIN IN THE STANCE OF MAKING KNOWN OUR WARM AND FRIENDLY REGARD FOR THE NEW GOVT WHILE LEAVING IT TO THAT GOVT IN DUE COURSE TO LET US KNOW WHAT RELATIONS IT WISHES. WHILE WE BELIEVE THIS CONTINUES TO BE THE PROPER US STANCE, SUBJECT TO CONTINUAL TESTING AS OUR COMMUNICATIONS DEVELOP WITH THE NEW PEOPLE, WE HAVE SOME CONCERNS AS TO WHETHER WE ARE, IN FACT, ACTUALLY FULFILLING THE FIRST PART OF THIS STANCE.

WE HAVE COMMENTED FAVORABLY ON THE ELECTION PROCESS AND THE PRESIDENT HAS SENT A FRIENDLY LETTER. THE INDIANS HAVE TOLD US THAT THEIR POLICY WILL EMERGE IN THE FORM OF THE ACTIONS THEY TAKE RATHER THAN DECLARATIONS AND, INDEED, THEY PROBABLY LOOK TO OUR ACTIONS FOR SIMILAR INDICATIONS. THEY ARE PROBABLY RECEIVING CONFLICTING SIGNALS. AS FAR AS THEY KNOW IT REMAINS OUR INTENTION TO CUT BACK SHARPLY ON INDIA'S SHARE OF MULTI-LATERAL ASSISTANCE THROUGH IDA V. IF THE NEW PRIME MINISTER HAS NOT YET BEEN BRIEFED ON THIS HE WILL BE SOON AND IT WILL COME AS A SURPRISE. THE INDIANS WILL ALSO HAVE NOTED THAT IN ANOTHER AREA OF POLICY CONCERN TO THE US WE HAVE BEEN CRITICAL OF INDIA; INDIA WAS THE ONLY COUNTRY SINGLED OUT FOR CRITICAL COMMENT IN OUR ANNOUNCEMENT OF OUR DOMESTIC NUCLEAR POLICY. THE NEW GOVT HAS GONE THROUGH ITS FIRST EXPERIENCE WITH US ARMS SALES TO PAKISTAN. ALTHOUGH TO US THAT WAS A MINOR TRANSACTION, THE FOREIGN MINISTER WAS CONCERNED BY IT; PERHAPS BECAUSE HE HAS NOT GONE THROUGH THE CONFIDENCE BUILDING EXPERIENCE BY WHICH THE PREVIOUS GOVT BECAME ACCUSTOMED TO ROUTINE SALES. IN ADDITION, REPORTS HAVE NOW HIT THE DELHI PRESS OF THE MILITARY EQUIPMENT THE US MIGHT SELL TO PAKISTAN IF THAT COUNTRY GIVES UP A REPROCESSING FACILITY. CONFIDENTIAL

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FINALLY, THE WORD WILL FILTER UP TO MEMBERS OF THE NEW GOVT THAT THE US IS MOVING VERY SLOWLY AND CAUTIOUSLY IN REGARD TO A BILATERAL AID PROGRAM.

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6. I BELIEVE THAT SOME OF THESE US SIGNALS ARE IN ORDER AS IT IS BEST THAT THE GOI BE AWARE OF OUR VIEWS AT THE OUTSET SO THAT WE CAN AVOID UNNECESSARY SURPRISES LATER. THUS THE INDIANS KNOW THAT WE HAVE DIFFERENCES ON NUCLEAR POLICY. SINCE THERE IS A DANGER OF OVEREXPECTATION ON THE PART OF THE NEW GOVT (SOME OF THE STRONG ANTI-COMMUNISTS IN IT FORMED THEIR VIEWS YEARS AGO WHEN THE US WAS UNDERSTOOD TO REWARD ITS FRIENDS WITH RESOURCES) THE GOI SHOULD KNOW OF OUR CONCERS ABOUT A POSSIBLE NEW BILATERAL AID RELATIONSHIP AND OUR VIEWS ABOUT ITS POSSIBLE DIMENSIONS. WE SHOULD BE ON THE LOOKOUT, HOWEVER, FOR THINGS WE CAN DO TO REINFORCE OUR STANCE OF FRIENDLY SYMPATHY FOR INDIA'S NEW DEMOCRATIC GOVT WITHOUT OUR TAKING THE INITIATIVE ON NEW PROGRAMS. I CAN THINK OF SEVERAL WAYS WE MIGHT DO THIS AT PRESENT. WE COULD MAKE AN EARLY DECISION TO SUPPORT RETENTION OF INDIA'S SHARE OF IDA V AT 40 PERCENT. SHOULD WE DO THIS, WE OUGHT TO INFORM THE INDIANS RIGHT AWAY. THEY KNOW WE DECIDED TO REDUCE THEIR SHARE BECAUSE OF OPPOSITION TO INDIA ON THE HILL AND THEY WOULD CONSEQUENTLY UNDERSTAND THAT A CHANGE WAS A RESULT OF WASHINGTON'S VERY FAVORABLE REACTION TO THE RETURN OF INDIA TO DEMOCRACY. THIS WOULD BE A GOOD MESSAGE TO GET ACROSS IN SUCH A CONCRETE WAY; OUR ACTIONS WOULD BE SEEN AS CONSISTENT WITH WHAT WE HAVE SAID ABOUT THE ELECTIONS. ANOTHER HELPFUL MOVE MIGHT BE A REPLY TO MORAJI'S WARM AND SUBSTANTIVE LETTER RESPONDING TO THE PRESIDENT'S MESSAGE OF CONGRATULATIONS. THERE
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MAY BE SOME REASON FOR THE PRESIDENT TO SEND SUCH A LETTER BEFORE AMBASSADOR GOHEEN ARRIVES. REPLY NEED NOT DEAL SPECIFICALLY WITH SUBSTANCE BUT INSTEAD COULD SET THE STAGE FOR THE AMBASSADOR'S DOING SO AFTER HIS ARRIVAL AND IN THE INTERIM MAINTAIN THE ATMOSPHERE OF SYMPATHETIC INTEREST. IF A LETTER IS SENT CARE SHOULD EXERCISED THAT IT NOT ARRIVE TOO CLOSE TO THE GROMYKO VISIT AS WE WOULD NOT WISH IT TO APPEAR DESIGNED TO OFFSET ANY SOVIET INITIATIVE. ANOTHER AREA OF INDIAN CONCERN IS OUR NUCLEAR DISCUSSIONS WITH PAKISTAN AND WHAT MILITARY EQUIPMENT WE MAY (OR, RATHER, MAY NOT) BE PREPARED TO OFFER PAKISTAN IN RETURN FOR ITS GIVING UP A REPROCESSING FACILITY. ANYTHING WHICH WE MIGHT BE PREPARED TO TELL THE INDIANS, PARTICULARLY ABOUT WHETHER OR NOT A-7 AIRCRAFT ARE IN OUR NEGOTIATING PACKAGE, COULD HAVE A HELPFUL EFFECT ON THE ATMOSPHERE HERE. FINALLY, IF WE ARE LIKELY TO APPROVE ANOTHER INTERIM SHIPMENT OF NUCLEAR FUEL FOR INDIA, IT WOULD SUPPORT OUR OVERALL RELATIONS AND OUR NEGOTIATING POSITION ON NUCLEAR MATTERS IF WE DID SO SOON. IT IS GOOD THAT WE ARE NOW MOVING PROMPTLY TO ASSIST THEM TO SOLVE THEIR PROBLEM OF HOW TO STORE ADDITIONAL SPENT FUEL. THE MORE WE SQUEEZE THE INDIANS ON TARAPUR FUEL AND STORAGE WITHOUT MAKING BASIC POLICY DECISIONS, THE MORE WE RAISE THEIR FRUSTRATIONS AND LOWER THEIR ESTIMATE OF OUR REGARD FOR THEM.

7. WITH THE NONALIGNED CONFERENCE OUT OF THE WAY I

NOW INTEND TO CALL ON THE FOREIGN MINISTER AND FOLLOW UP WITH COURTESY CALLS ON CERTAIN OTHER MEMBERS OF THE GOVT. THESE CALLS WILL DUPLICATE WHAT AMBASSADOR GOHEEN WILL DO SOME WEEKS LATER BUT I BELIEVE WE CANNOT AFFORD TO WAIT; WE NEED TO BE IN CONTACT AND I DONT TRUST THE FILTER BETWEEN THE OFFICIAL AND POLITICAL LEVEL. I INTEND TO MAKE THESE CALLS ONLY AS SUBSTANTIVE AS THE INDIAN MINISTERS WISH THEM TO BE. BUT I WILL INDICATE OUR FRIENDLY INTEREST IN THE NEW GOVT. I WOULDPLAN TO TELL THE FOREIGN MINISTER THT WE SEE NO NEED TO HURRY IN DEVELOPING OUR TIES AND THAT IN FACT WE SEE MERIT IN PROCEEDING CAREFULLY IN ORDER TO PRESERVE STABILITY IN OUR RELATIONSHIP. I WOULD HOPE THAT I MIGHT BE AUTHORIZED TO COMMENT FAVORABLY ON THE MODERATION AND CONFIDENTIAL

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BALANCE SHOWN BY THE GOI IN MANAGING THE NONALIGNED FOREIGN MINISTERS CONFERENCE HERE. OTHER EMBASSY OFFICERS ARE ALREADY MAKING CONTACT AT OTHER LEVELS WITHIN THE JANATA PARTY AND CONGRESS FOR DEMOCRACY. THE NEW GOVT IS COMPOSED OF PEOPLE OF WIDELY VARYING VIEWS AND WE WILL BE UNABLE FINALLY TO ASSESS ITS POLICIES AND JUDGE OUR RESPONSE WITHOUT A MUCH MORE THOROUGH KNOWLEDGE OF ITS PERSONALITIES.
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